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NSC BRIEFING

7 December 1960

FRANCE-ALGERIA

- I. Flight of rightist Deputy Pierre Lagailarde to Spain has increased concern that Algiers-initiated coup attempt imminent.
- A. Four other defendants who also fled Paris trial of January insurrection leaders have not been located.

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- III. However, rumors that several generals on active duty had left their posts were unfounded.
- IV. De Gaulle's scheduled 9 December arrival in Algeria could spark rightist action.

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NSC BRIEFING

6 December 1960

FRANCE-ALGERIA

- I. Flight of rightist Deputy Pierre Lagailarde has increased concern that Algiers-initiated coup attempt imminent.
- A. Government has failed to apprehend Lagailarde or other four defendants who fled Paris trial of January insurrection leaders.

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- III. Several other generals are reported to have left their posts.
- A. They are presumed to be Algeria-bound to stop De Gaulle visit and impede referendum.
- IV. De Gaulle's schedule 9 December arrival in Algeria could spark rightist action.
- A. His advisers fear assassination attempt on him.
- V. In UN, Afro-Asian bloc pressing for UN-supervised referendum.
- A. Debate may span 17 December recess to be resumed after 8 January.
- B. Moderating influence of French-African states may result in resolution recognizing UN interest in problem, but calling for negotiations among parties concerned.

NSC BRIEFING

6 December 1960

FRANCE-ALGERIA

- I. Flight of rightist Deputy Pierre Lagaille has increased concern that Algiers-initiated coup attempt imminent.
- A. Government has failed to apprehend Lagaille or four other defendants who fled Paris trial of January insurrection leaders.

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- III. Several other generals are reported to have left their posts.

A. They are presumed to be Algeria-bound.

- IV. De Gaulle's scheduled 9 December arrival in Algeria could spark rightist action.

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File
29 December 1960

NSC BRIEFING

RECENT BLOC ECONOMIC AND MILITARY AID

- I. Past year was biggest ever in bloc foreign aid program with total new obligations of over \$1.5 billion (bringing total since January 1954 to about \$5.5 billion).
 - A. Old customers--UAR, Iraq, India, and Indonesia--continued to receive assurances of additional assistance, but spate of new aid offers and agreements in recent weeks (past two months) underscore Bloc's growing drive in Latin America and Africa.

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NSC BRIEFING

29 December 1960

FRANCE-ALGERIA

- I. De Gaulle expected to win wide backing in France in 8 January referendum on self-determination for Algeria despite opposition from Communists, rightists, and some center elements.
 - A. Referendum will give Algerians right to decide for themselves what type of government they want for Algeria.
 - B. A "yes" vote also means approval of an interim administration in Algeria which De Gaulle is now setting up.
- II. De Gaulle spearheading a vigorous campaign for his plan and restricting opposition.
 - A. Has scheduled three major personal speeches (20 and 31 Dec; 6 Jan.)
 - B. Allowing limited broadcast time only to the six parties which have both parliamentary seats and a formal party structure.
 1. This requirement restricts some opposition groups such as that of Jacques Soustelle which has been obliged to buy time on the Luxembourg commercial station.
 - C. Most Frenchmen still convinced De Gaulle is their main hope for an end to the rebellion.
- III. In Algeria, however, outcome of vote in doubt.
 - A. Massive settler opposition expected.
 - B. Many urban Moslems likely to heed FLN rebels instructions to boycott the vote which rebels claim is a snare and delusion.

C. Outcome may hang on whether army will try to influence rural Moslems one way or other.

IV. Rightists in Algeria plan anti-referendum demonstrations.

A. FLN will probably exploit these for own ends.

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V. Official press statements hint De Gaulle may make a new bid before 8 January for negotiations with rebels, despite army hostility.

VI. FLN rebels, however, see their hand strengthened by UN resolution and pro-rebel attitude of Moslem rioters in Algiers.

A. They are reported determined to reject administration De Gaulle would set up after referendum and insist De Gaulle has no alternative but to deal directly with them.

NSC BRIEFING

29 December 1960

BACKGROUND

BELGIAN STRIKES

- I. Ten-day Socialist-instigated strikes spreading today.
 - A. Strikes are protest against proposed economic austerity bill of Prime Minister Eyskens' Social Christian (catholic)-Liberal government to offset loss of Congo.
 1. Bill calls for increased taxes and reduced social welfare expenditures to offset loss of Congo revenues.
 2. Opposition Socialist leadership, originally reluctant, now heavily committed to strike.
 3. Socialists trying to force Eyskens to reconvene parliament, hoping parliament under mounting pressure will defeat bill, also possibly cause downfall of government.
 - B. Violence and demonstrations increasing but no one killed as yet.
 1. Massive demonstrations expected in Brussels today.
 2. Government has brought back six Infantry companies from Germany and plans to bring 10 more.
 - C. Strikes virtually general in southern (Walloon) industrial area, partial in Brussels and somewhat less effective in Flemish cities (Antwerp, Ghent, Bruges).
 1. But Socialists are endeavoring to extend strikes into Brussels and Flemish country. Strikes spreading there today.

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NSC BRIEFING

28 December 1960

CONGO

- I. Rival regimes in Leopoldville and Stanleyville continue to spar.
 - A. Mobutu hampered by logistical problems operating against distant Orientale province.
 - B. Gizenga threatened by critical shortage food and gasoline in Stanleyville.
- II. Gizenga has broken Mobutu's "economic blockade," however, by moving forces into Kivu Province which should relieve pressure on food supply Stanleyville.
 - A. Next move up to Mobutu who will probably now have to use stronger measures.
 - B. Mobutu likely to ignore Hammarskjold's threat to withdraw UN forces if Mobutu moves against Stanleyville in view of UN inability to forestall Gizenga forays into Kivu.
 - C. Extent of dissident control in Kivu unclear, but apparently most Congolese army troops there responsive to Gizenga.
- III. African states still hesitant concerning extent to which they should aid dissidents.
 - A. Gizenga may go to meeting African states in Rabat scheduled to convene 3 January to plead cause in person.
 - B. While some are likely to offer some form of material aid, pro-Gizenga sentiment not unanimous.

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C. Sudan continues to bar UAR overflights to Stanleyville and no nation has formally recognized Gizenga regime as legal Congo government.

IV. Moscow has publicly expressed sympathy for dissidents, and has hinted that it might participate in any effort by Rabat conferences to aid Gizenga.

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NSC BRIEFING

20 December 1960

FRANCE-ALGERIA

- I. Violent demonstrations in Algeria have aroused strong skepticism in France over chances for De Gaulle's program to unite Moslem and European factions.
- II. Nevertheless, support has increased for De Gaulle as only man capable of solving problem.
 - A. He is expected to win handily in France in 8 January referendum.
- III. In Algeria, however, vote outcome in doubt.
 - A. Massive settler opposition expected.
 - B. Many urban Moslems likely to heed Ferhat Abbas' 16 December "directive" to abstain.
 - C. Outcome may hang on which way army support goes in rural areas.
- IV. Official press statements indicate De Gaulle may make new bid before 8 January for negotiations with FLN, despite army hostility.
- V. Rebel leaders, encouraged by pro-FLN attitude of Moslem rioters in Algiers, are reported determined to reject any administration De Gaulle sets up in Algeria as result of referendum.
 - A. They insist that De Gaulle has no alternative but to negotiate directly with them.

NSC BRIEFING

20 December 1960

BERLIN

- I. Continuing Communist challenge to West Berlin's status was highlighted in two sets of trade talks this past month.
 - A. West German trade negotiations with USSR foundered on 12 December when Soviets refused Bonn's condition that the Soviet-West German trade agreement (over \$300 million) cover West Berlin (Previously West Berlin has been tacitly included, but not mentioned in agreement).
 1. This would have meant Soviet recognition of legal and political link between West Germany and West Berlin--a point which Soviets consistently deny.
 2. Economic aspects of talks proceeded with little difficulty, but Bonn felt compelled to insist on "Berlin clause" because failure to do so would have greatly weakened their position; opposition Social Democrats led by Mayor Brandt had publicly demanded this move.
- II. Problem of Berlin is also the root of the current trade talks at a semi-official level between East and West Germany over the status of their interzonal trade pact (\$468 million in 1959).
 - A. Current dispute goes back to 8 September when East Germans attempted to pin down their right of control over East Berlin by passing a law requiring special East German "residence permits" for West Germans traveling to East Berlin.

- B. Bonn retaliated by denouncing the interzonal trade pact with East Germany and by demanding that the law requiring permits be rescinded as prerequisite for reinstating trade agreement; formal cancellation of the trade pact takes effect on 1 January 1961.
- C. A key section of this trade agreement contains procedures for commercial shipments between West Germany and Berlin.
 - 1. If agreement expires on 31 December, then the East Germans would, in effect, have a legal pretext for exercising unlimited controls over the vital Bonn-Berlin economic life-line.

III. Negotiations between East and West Germany are currently under way on question of reinstating agreement.

- A. Two factors apparently restraining the East Germans from taking hard line in these talks:
 - 1. Moscow is apparently unwilling to foot the high, short term costs of supporting the East German economy in critical first six months next year. (We doubt that the bloc can readily provide many of the goods which would be lost through termination of the agreement.)
 - 2. Soviets, furthermore, apparently prefer not to increase tensions over Berlin prior to attempt to arrange high-level negotiations with US;

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1. Not yet clear whether Bonn will stick to its demand that this East German decree be formally rescinded; East German negotiator said that this "impossible." West Germans, therefore, pressing for written commitment that decree will not be enforced and that police control posts be removed.
- C. Without formal trade agreement some trade could continue on cash basis but:
 1. East Germany would undergo serious economic and perhaps critical political strain.
 2. For the West, the Berlin problem could become immediately critical.
- D. Confused status of agreements means that on 1 January there is possibility that East Germany will bring greatly increased pressure on access routes.
 1. East Germans are publicly threatening that allied as well as West German access rights will be terminated when trade agreement expires.

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NSC BRIEFING

19 December 1960

FRANCE-ALGERIA

- I. Recent violence in Algeria and international pressures are speeding evolution of French opinion on Algerian problem.
 - A. Key factions shocked by vehement Moslem demonstrations are reassessing basic positions.
 1. All but French die-hard integrationists now realize inevitability of drastic change in status of Algeria.
 - B. Support has increased for De Gaulle as only man capable of solving problem.
 1. Despite sharp rise in skepticism that his program can unite Algerian communities, he is expected to win handily in France in 8 January referendum.
 2. In Algeria, however, vote outcome in doubt.
- II. De Gaulle will probably go ahead with plans to establish separate Algerian administration.
 - A. Army repression of rioters widened gulf between Moslem and European communities, however, and may make it more difficult to get capable Moslem participation.
 - B. Official press statements indicate De Gaulle may now stress early negotiations with FLN.
 - C. In view FLN reluctance lay down arms, he may quietly drop insistence on prior cease-fire agreement, or establish unilateral cease-fire.

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- III. If FLN agrees to undertake new negotiations, French army position will be critical.
 - A. Army still hostile to political negotiations with FLN.
- IV. Riots highlighted army as only force able maintain peace in Algeria.
 - A. Moslem readiness to identify De Gaulle's self-determination policy with FLN severe blow to army's hopes for success in its social rehabilitation program.
 - B. Spread of Moslem rioting to rural Algeria or international intervention could induce the army to assume a broader political role.
- V. PGAR, encouraged by UN support and pro-FLN attitude Algiers rioters, may be less inclined to relax its current intransigence.
- VI. In any event, the threat of partition of the coastal departments of Algeria and French intention to separate oil-rich Sahara from Algeria make accord with PGAR remote.

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NSC BRIEFING

19 December 1960

BERLIN

- I. Continuing Communist challenge to West Berlin's status was highlighted in two sets of trade talks this past month. A critical situation may arise after 1 January if there is no new agreement on trade between East and West Germany.
 - A. West German trade negotiations with USSR foundered on 12 December when Soviets refused Bonn's condition that trade agreement (over \$300 million) cover West Berlin (Previously West Berlin has been tacitly included, but not mentioned in agreement).
 1. This would have meant Soviet recognition of legal and political link between Bonn and West Berlin--a point which Soviets consistently deny.
 2. Economic aspects of talks proceeded with little difficulty, but Bonn felt compelled to insist on "Berlin clause" because failure to do so would have greatly weakened their position; opposition Social Democrats led by Mayor Brandt had publicly demanded this move.
- II. Problem of Berlin is also the root of the current negotiations between East and West Germany over the status of their trade pact (\$468 million in 1959).
 - A. Current dispute goes back to 8 September when East Germans attempted to pin down their right of control over East Berlin.
 1. Passed law necessitating special East German "residence permit" for West Germans traveling to East Berlin or East Germany.

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B. Bonn retaliated on 30 September by denouncing trade pact with East Germany and by demanding that this law be rescinded as prerequisite for reinstating trade agreement; formal cancellation takes effect on 1 January 1961.

C. A key section of this trade agreement contains procedures for commercial shipments between Bonn and Berlin.

1. If agreement expires on 31 December, then the East Germans would, in effect, have a legal pretext for exercising unlimited controls over the vital Bonn-Berlin economic lifeline.

III. Negotiations between East and West Germany are currently underway on question of reinstating agreement.

A. Two factors apparently restraining the East Germans from taking hard line in these talks:

1. Moscow is apparently unwilling to foot high, short term costs of supporting East Germany economy in critical first six months next year.

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2. Soviets apparently prefer not to increase tensions over Berlin prior to attempt to arrange high-level negotiations with US;

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C. Without formal trade agreement some trade could continue on cash basis but:

1. East Germany would undergo serious economic and perhaps critical political strain.
2. For the West, the Berlin problem could become immediately critical.

D. Confused status of agreements means that on 1 January there is possibility that East Germany may bring greatly increased pressure on access routes.

1. East Germans claiming allied access might be affected.

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16 December 1960

NSC BRIEFING

FRANCE-ALGERIA

- I. Recent violence in major Algerian cities will probably accelerate immediate evolution of Algerian problem, but newly evident depth of differences between communities in Algeria could block eventual peaceful coexistence.
- II. Vehement Moslem demonstrations have shocked key factions into reassessing basic positions.
 - A. Inevitability of drastic change in status of Algeria now apparent to all but French die-hard integrationists.
- III. Support has increased for De Gaulle as only man capable of solving problem.
 - A. Despite sharp rise in skepticism his program can unite Algerian communities he is expected to win handily in France in 8 January referendum.
 1. Algerian vote, however, in doubt.
- IV. Anti-regime move by civilian and military extremists still cannot be ruled out, but
 - A. Army has followed orders to date, and government's strong repressive measures emphasizes/plotters' impotence.
- V. Riots highlighted army as only force able maintain peace in Algeria.
 - A. Moslem readiness to identify De Gaulle's self-determination policy with FLN severe blow to motivation of army's social rehabilitation ~~rehabilitation~~ program.

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- B. Army may be tempted to set up police state to prevent more rapid drift toward FLN-dominated independence.
- C. Spread of Moslem rioting to rural Algeria or international intervention, perhaps following UN resolution, could induce the army to expand its role.
- VI. De Gaulle can be expected to accelerate moves to establish separate Algerian administration.
 - A. Army repression of rioters widened gulf between Moslem and European communities, however, and may make it more difficult to get capable Moslem participation.
- VII. Assuming De Gaulle can still impose semblance of cooperation on Moslem and European communities in Algeria, he must still undertake negotiations with PGAR.
 - A. Army, however, still hostile to negotiations with rebels.
- VIII. PGAR, encouraged by UN support and pro-FLN attitude Algiers rioters, may be less inclined to relax its current intransigence.
- IX. Even if De Gaulle tacitly foregoes cease-fire prerequisite to political negotiations, threat of partition to assure European minority rights will further ^{antagonize} ~~antagonize~~ PGAR.
- X. In any event, French intention separate oil-rich Sahara from coastal departments makes accord with PGAR very remote.

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NSC BRIEFING

15 November 1960

FRANCE-ALGERIA

- I. Most violent reaction so far to De Gaulle's 4 November speech in which he acknowledged inevitability of an "Algerian Republic" was Armistice Day rioting in Algiers.
 - A. Rioting largely limited to young toughs.
 - B. Major settler organization, French Algerian Front (FAF), abstained.
 - 1. FAF trying to demonstrate, particularly to army, that it is responsible organization.
- II. Army, which took no part in 11 November riots, remains decisive factor.
 - A. Marshal Juin's Armistice Day statement may be army "warning" to De Gaulle.
 - B. Reports of unilateral French truce to be applied in selected areas may be feeler to both army and rebels.
- III. De Gaulle simultaneously under increasing international pressures.
 - A. PAG is rejecting all French-sponsored overtures, at least until after UN General Assembly takes stand.
 - 1. Says it has lost confidence in bilateral negotiations.
 - 2. Will probably reject current effort by French Community states to mediate.
 - B. Algerian UN debate now expected in December, with AA states continuing to press for direct UN involvement.

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- IV. De Gaulle's next major step likely to be establishment separate Algerian administration which would attempt to negotiate with PAG leaders.
- V. If De Gaulle makes such a move soon, he will need to seek public endorsement of his course through a referendum in France.

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6 November 1960

FRANCE AND ALGERIA

- I. De Gaulle's 4 November speech acknowledged growing opposition in France, but clearly warned dissident elements that he would brook no interference in the Algerian policy he is pursuing.
 - A. For the first time, he expressed the belief that an Algerian republic will eventually come into existence, and he stressed that he has been working toward an autonomous Algeria.
 - B. He hinted that a unilateral cease-fire declaration by France may be possible.
 1. A tacit truce could precede preliminary discussions of the political guarantees the rebels insist on.
 2. De Gaulle continues to hold that hostilities must cease before political negotiations can begin.
- II. In France, the immediate reaction to his speech followed expected patterns, from Leftist Deputy Maurice Faure's "pure illusion" re any hope of a solution short of immediate independence, to Georges Bidault's "unacceptable."
- III. In Algeria, the hostility of the majority of the European community was reinforced. Moslems were reluctant to comment, but seemed generally satisfied.

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- IV. While frustration over the continuing stalemate in Algeria has been mounting at an accelerated rate in France, De Gaulle's stock is still high.
- A. He could probably win wide acceptance for negotiations with the rebels encompassing more than just cease-fire terms.
- V. His obsession with national unity has made him hesitate, however, in the face of concerted rightist pressures to keep Algeria French.
- A. Soustelle is organizing opposition behind a broad economic-political program contrived to catch all shades of anti-regime sentiment.
- B. The current trial of La Gaillarde (La-guy-yard) and other leaders of the abortive January insurrection in Algiers is a dangerous focus for rightist sentiment.

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VI. French policy hinges on the army.

- A. Most military men are increasingly inclined to consider Algerian independence inevitable.

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- VII. The rebels, who feel international developments are swinging back in their favor, have become increasingly outspoken in rejecting De Gaulle's terms for negotiating a settlement.
- A. No official reaction to De Gaulle's speech is expected before the Provisional Government's plenary session, which begins on 7 November in Tunis.
- B. They will demand concrete evidence of French good faith before making any move.
- VIII. Khrushchev's de facto recognition of the rebels' Provisional Government, and Soviet and Chinese commitments of assistance have multiplied pressures on France's allies and on Algeria's neighbors.
- A. Tunisia and Morocco are under heavy pressure from the rebels and the Bloc to permit transit of materiel and possibly personnel.
- IX. NATO could become involved if De Gaulle invoked the treaty.
- A. It is not likely that he would do so, however, unless he considered Bloc aid was reaching considerable proportions in materiel and personnel.

- X. At the UN, the Afro-Asian bloc wants a resolution calling for a UN-supervised referendum.
- XI. The states of the French Community have a mediation effort under way.
 - A. But French spokesmen have played down the chances De Gaulle would accept such mediation.
 - B. The rebels have also tended to disregard Black African overtures.
 - C. Bourguiba has reportedly agreed to urge the rebels to accept the Black Africans' proposals.
 - 1. Tunisia, Morocco, Libya and the UAR have misgivings about Communist influence unless a speedy solution is found.
- XII. In any event, the initiative now seems to be with the rebels, who are taking an uncompromising stand.

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NSC BRIEFING

28 October 1960

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FRANCE - DE GAULLE

- I. Several events this week--including the sixth anniversary of the outbreak of the Algerian rebellion--will quicken the pace of developments affecting De Gaulle's policy of self-determination for Algeria.
 - A. He unexpectedly scheduled a nationwide TV-radio address for 4 November.
 1. He may call for a referendum to demonstrate that the bulk of French public opinion backs his policy; he may announce the formation of a separate Algerian administration as the first step toward setting up an autonomous "Algerian Algeria" linked to France.
 - B. The timing of his scheduled TV address suggests that he wants to assess the impact of other major events this week which could affect his policy and to do something before the UN vote on the Algerian problem in mid-November.
 1. 1 November--the anniversary of the rebellion--is likely to see stepped up rebel terrorism and counter-demonstrations by European settlers.
 2. Events scheduled for 3 November are likely to add new pressures against De Gaulle's position. The trial of Pierre Lagaille and other leaders of the January 1960 insurrection will begin and Jacques Soustelle's broad rightist front (ranging from right-wing Socialists to fascists), which was formed last June, will reconvene in Paris.

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- II. The French army still holds the key to the situation. It apparently is coming around to recognize the inevitability of Algerian independence, but it insists on the appearance of a military victory and could not swallow anything less, such as precipitate withdrawal or direct political negotiations with the rebels.
- III. The French political atmosphere has changed noticeably in the past month, though De Gaulle's standing with the public is still high.
- A. The bulk of the public wants to get the Algerian war over with and seems ready to accept any settlement. 25X1
- B. The noise is being made by small, articulate groups--left and liberals on one hand, rightists on the other.
- C. De Gaulle's problem, therefore, is to galvanize his public support against the extremes.

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NSC BRIEFING

20 October 1960

FRANCE - DE GAULLE

- I. De Gaulle still stands high with French public, but is under increasingly heavy attack from hitherto silent opponents and some of his former political backers.
 - A. Die-hard rightists in Assembly aligning with democratic left against De Gaulle's proposed nuclear striking force and his opposition to NATO and integrated European Community.
 - B. Heavy-handed attitude of De Gaulle government toward parliament and labor's demands for fairer share in an improved economy are additional irritants.
- II. Algeria increasingly focuses tensions.
 - A. Failure FLN talks, increasing terrorism, mutual reprisals, rebel moves to internationalize problem arousing French public opinion.
 - B. Leftists, many clergy and other groups critical of army methods and of use of conscripts in this type of war.
 1. Student groups have called massive 27 October demonstrations; wide labor support indicated.
 - C. Right continues appeals for maintenance of French Algeria.
- III. Rightists also stepping up plotting against Fifth Republic and seeking to unite De Gaulle's military and political opponents.
 - A. Soustelle on 19 October for first time publicly advanced himself as alternative to De Gaulle.
 1. He recently set forth broad political-economic program in opposition to De Gaulle, including French Algeria and integration of NATO forces.

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- IV. However, De Gaulle could still rally most of French public to accept a move leading to negotiations or even Algerian independence so long as it was French initiative, if he dared do this. If so, he might have right-left revolution on his hands.
- V. Hence, De Gaulle is still standing pat on his policy of self-determination and shows no signs of making any move before UN debate in November.
- VI. In addition to public popularity, De Gaulle holds some trump cards.
 - A. He can't be ousted legally.
 - B. Threat of dissolution enough to block non-confidence vote in assembly.
 - C. Most rightist opponents have no alternate candidate of stature.
 - 1. Opponents primarily involved in stepped up "psychological warfare" campaign in hope he'll abandon policy of self-determination.

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NSC BRIEFING

28 September 1960

BACKGROUND

SPAIN'S ECONOMIC PROBLEMS

- I. Stabilization program inaugurated July 1959 quickly achieved immediate objectives.
 - A. It halted inflation, stabilized currency, and built up foreign exchange receipts.
 - 1. Foreign exchange holdings up from \$76 million overdraft July 1959 to \$303 million balance July 1960.
- II. This was done at cost of economic recession, however, which has been prolonged by cabinet disagreement on steps needed to effect an upturn.
- III. Credit curbs and uncertain business outlook have slowed economic activity and swelled unemployment.
 - A. US Embassy reports substantial decline in industrial output, although government apparently reluctant to publish overall indices.
 - 1. Freight car loadings down 23 percent in first half 1960.
 - 2. Many firms have closed down.
 - 3. Businessmen reluctant to invest because of doubts about future.
 - B. Labor increasingly convinced sacrifices under stabilization program borne primarily by working class.
 - 1. Over 300,000 unemployed compared to 120,000 in 1958.
 - 2. Elimination of overtime for most workers has cost them up to fourth of take-home pay.
 - 3. Unemployment insurance program available only for small proportion of newly idle.

- IV. Government seems unwilling to furnish incentives needed now for economic expansion.
- A. Little prospect of substantial further trade liberalization which would permit expansion of industry.
- B. Private investment tightly controlled.
1. License from Ministry of Industry required for any industrial plant investment involving more than \$33,000.
 2. Foreign capital discouraged from building plants which would compete with existing industries.
- V. Minister of Industry Planell, leading opponent of stabilization plan, would risk inflation by intervening directly in specific sectors of economy to reactivate demand.
- VI. Even Finance Minister Navarro Rubio, chief backer of stabilization plan, tending to favor palliatives.
- A. Navarro Rubio has induced government to seek to forestall labor unrest by establishing special funds for:
1. Housing improvement,
 2. Scholarships, and
 3. Stock-sharing programs for labor.
- VII. Rising labor discontent over reduced pay, however, and growing pressure for general wage hikes may renew inflationary threat.
- VIII. There is danger that government may adopt politically palatable policy leading to:
- A. Abandonment stabilization program.
- B. Return to measures immediately inflationary in impact.

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NSC BRIEFING

20 September 1960

BERLIN

- I. Because of his desire to focus world attention on Berlin prior to UN, Khrushchev is permitting East Germans to undertake a new campaign to raise tensions on Berlin; East German regime on 8 September imposed permanent restrictions on travel of West Germans to East Berlin.
 - A. Move violates Four-Power agreements on freedom of movement within city, but has not affected movement of those who work in one sector of city and live in another.
 1. Is step toward incorporating East Berlin into East Germany by making own laws directly applicable to East Berlin, in effect giving city sector border the "legal" character of an East German frontier.
 2. East German regime is emphasizing point that West Berlin is not a part of West Germany.
 - B. Ulbricht regime wishes demonstrate "sovereignty" and show its right and ability to impose arbitrary controls on movement within city.
 1. By concentrating on West Germans rather than Allies, Communists probably consider themselves on safer ground and that their actions less likely provoke strong reaction.
- II. East Germans may also attempt introduce restrictions on travel of West Germans to West Berlin.
 - A. East German officials have stated Four-Power agreements on free access to Berlin null and void and claimed GDR not bound by agreements of USSR.

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B. They have warned Bonn not to retaliate against restrictions on travel, saying this would only hasten measures making West Berlin "free city."

III. Soviet Berlin Commandant Zakharov on 13 September supported the East German position and warned the Western Powers that they must bear full responsibility for the consequences of "misuse" of the air corridors which were provided to meet the requirements of the Western garrisons in the city.

A. Zakharov's strong endorsement of East Germany's "sovereignty" over its territory in this context suggests that the USSR will support future East German efforts to assert some degree of control over civilian air access to the city.

1. USSR may be considering some step to bring East Germans into flight clearance procedures; such tactics would be aimed at forcing Western civilian airlines into either acknowledging East German control, operating without flight safety guarantees from the Soviet elements in BASC, or not flying to Berlin.
2. East German regime is trying to sell the idea that Western airlines must negotiate with it for overflight privileges.
3. During the past week there has been an increase in "near misses" between Western aircraft and Soviet fighters in the Berlin corridors, suggesting that the Communists are attempting to harass commercial pilots into refusing to fly.

IV. Bonn is concerned that too strong counter measures will provoke increased East German harassments and a more serious crisis, and Adenauer has told his cabinet to avoid any "rash moves," and wants Willy Brandt to stop demanding Western reprisals.

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- A. Vice-Chancellor Erhard has told Ambassador Dowling that Bonn could not undertake economic sanctions against East Germany without prior agreement among the four Western powers.
- V. At the UN, the Soviets may point to dangers in the Berlin situation to emphasize the urgency of their peace and disarmament proposals.
 - A. For this reason, they will almost certainly keep pot boiling.
 - B. They are not likely, however, to create a major crisis on Berlin during the UNGA session, as this would be incompatible with the peaceful posture they will probably seek to present there.
 - 1. Furthermore, the Soviets probably doubt that their real position on Berlin would have wide support in the UN: most UN members probably would favor maintenance of the status quo.

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NSC BRIEFING

14 September 1960

BERLIN

- I. In new campaign to raise tensions on Berlin, East German regime on 8 September imposed permanent restrictions on travel of West Germans to East Berlin.
 - A. Move violates Four-Power agreements on freedom of movement within city.
 1. Is step toward incorporating East Berlin into East Germany by making own laws directly applicable to East Berlin, in effect giving city sector border the character of an East German frontier.
 2. East German regime's statement of 13 September that it will refuse to recognize West German passports issued to West Berliners intending to travel abroad--i.e., to Bloc countries--is designed to emphasize East German contention that West Berlin is not a part of West Germany, but will apparently not affect movement between West Berlin and West Germany.
 - B. Ulbricht regime wishes demonstrate "sovereignty" and show its right and ability to impose arbitrary controls on movement within city.
 - C. Another important motivation is East German government's deep concern over rising refugee flow to West Berlin.
 1. 8,578 East Germans fled to West Berlin in two weeks 16-30 August (third and fourth highest weekly totals since 1955.)

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- II. East Germans may also attempt introduce restrictions on travel of West Germans to West Berlin.
- A. East German officials have stated Four-Power agreements on free access to Berlin null and void and GDR not bound by agreements of USSR.
- B. They have warned Bonn not to retaliate against restrictions on travel, saying this would only hasten measures making West Berlin "free city."
- III. Ulbricht has made himself chief of East German state and is seeking invitation to UNGA in order to present disarmament plan, including withdrawal of Allied troops from Berlin.
- IV. East Berlin moves have Khrushchev's backing.
- A. They do not appear to mark change in his commitment maintain status quo in Berlin until attempt made at new round of negotiations.
- B. Ulbricht warned, however, that West Germans and West Berliners will not be permitted "aggravate anomalous situation in West Berlin."
- C. Moscow may consider threats and harassment useful to focus attention on Berlin problem and maintain pressure on West to negotiate.
- D. By concentrating on West Germans rather than Allies, Communists probably consider themselves on safer ground and that their actions less likely provoke strong reaction.
- E. Soviet Berlin Commandant Zakharov's reply on 13 September to the Western commanders' protest against East German travel restrictions supported the East German position and warned the Western Powers that they must bear full responsibility for the consequences of misuse of the air corridors which were provided to meet the requirements of the Western garrisons in the city.

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- V. Bonn is concerned that too strong counter measures will provoke increased East German harassments and a more serious crisis, and Adenauer has told his cabinet to avoid any "rash moves," and wants Willy Brandt to stop demanding Western reprisals.
- A. Prior to Adenauer's statement Vice Chancellor Erhard had called on West German businessmen not to subject themselves to the new entry procedure and to avoid travel to GDR as long as restrictions continue.
- B. American Ambassador Dowling in Bonn does not believe Allied plan to refuse travel permits to East Germans is likely to have much effect on Pankow.

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NSC BRIEFING

31 July 1960

REPUBLIC OF THE CONGO

- I. The status of Katanga Province and of Belgian bases in the Congo remains a major source of friction between UN and Belgian officials.
 - A. The Lumumba government is showing increased impatience at the failure of the UN to take steps to occupy Katanga. If UN does not, Lumumba may revive threats to call for Soviet intervention.
 - B. UN officials in Leopoldville sympathetic to Lumumba's evacuation objectives, since Katanga's "independence" not generally recognized and Brussels-Leopoldville agreement on bases never finally ratified.
 - C. Belgians, meanwhile, are concerned about safety of their nationals and have reiterated their unwillingness to withdraw from their bases or from Katanga.
 1. Brussels' withdrawal of 1,500 of their 10,000 troops appears designed as a gesture in the direction of the UN resolution calling for a "speedy" Belgian troop withdrawal.
- II. Belgian policy appears to be one of delay. Belgians probably hope that with passage of time Lumumba will prove willing to negotiate with Tshombe concerning Katanga, and will meet his demand for a loosely-joined Congo federation of semi-autonomous provinces.
 - A. Tshombe--probably acting on advice of Belgians--continues to talk tough and to refuse UN troops entry into Katanga.
 - B. But his bargaining position is not strong. Not even Belgians have recognized Katanga's "independence," and parliamentary opposition group has left assembly in protest over Tshombe's policies.

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III. Despite Lumumba's withdrawal of his threat to request Soviet intervention, and his remarks concerning his desire for Western assistance, Congo's posture appears one of Soviet-oriented neutralism.

A. His vice premier has claimed that the Bloc has promised arms to the Congo once the Belgians withdraw.

1. But Lumumba wants aid from any and all quarters; he is therefore not anxious to burn his bridges to West.

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C. Soviets appear disinclined to intervene militarily in Congo, but will continue efforts to expand influence there by other means.

IV. Although arrival of more than 10,000 UN troops has lowered tensions, threat of violence remains.

A. US Embassy in Leopoldville has characterized UN military effort as lacking direction.

1. UN failure to disarm Force Publique, and fact that UN troops from Ethiopia appear to have themselves participated in depredations, cast some doubt on effectiveness of UN force.

B. Unemployment is a potential security threat in Leopoldville and other urban centers; in Leopoldville alone, an estimated 80,000 are unemployed.

1. Although food shortage considerably alleviated, many Congolese lack money to buy food.

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- V. Restoration of public order is only a prelude to solution of critical problems facing Congo, especially that of obtaining technical assistance in exploiting resources to provide economic basis for independence.
- A. Thousands of skilled Belgians have left, and many more will follow if Belgian troops are withdrawn.
 - B. Congo is almost totally lacking in qualified native personnel to replace Belgians.
 - 1. Foreign Minister Bomboko is only man in government with college degree, and there are only about fifteen others in entire country.
 - 2. Congo has no native engineers or medical doctors.
 - C. UN is formulating plans for technical assistance, with first objective to determine what must be done.
 - 1. UN office for coordination of technical assistance has been set up in Congo.
 - 2. A UN telecommunications official and an agricultural expert are in Leopoldville for a survey, and a member of the UN's Economic Commission for Africa is en route to help set up governmental administration.
 - D. Moscow statement on 31 July charged continuing "imperialist aggression" in Congo and reiterated Soviet offer of economic and technical aid to Congo.
 - 1. Statement asserted aid to be "without any conditions of a political, military, or other nature liable to prejudice the interests or sovereign rights of the independent Republic of Congo."

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2. Also said Soviet ship to leave shortly for Congo with 100 trucks, spare parts, repair depot, and group of instructors.
3. Statement promised prompt dispatch of medical personnel, medicines, and medical equipment.

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6 July 1960

ALGERIA-FRANCE

- I. The rebels' current refusal to initiate substantive cease-fire negotiations with the French stemmed from dissatisfaction concerning restrictions imposed upon their advance delegation in Melun last week.
- A. They objected strongly to delegates' being kept isolated from press and from imprisoned rebel ministers such as Mohamed Ben Bella.
- B. Also critical of French unwillingness to permit Ferhat Abbas direct access to De Gaulle on arrival.
- II. But rebel communique suspending further talks was conciliatory in tone; merely characterized further contacts at this time as "not opportune," leaving the door open for future overtures.
- A. Nevertheless rebels sensitive to any suggestion of a capitulation, and are unlikely to resume negotiations unless their delegates are permitted greater freedom of movement.
-
- III. French position essentially unchanged.
- A. They are willing to arrange an "honorable" cease-fire with rebels.
- B. They will not recognize rebels sole spokesmen for Algerian people or as representative of a legitimate government, but only as leaders of the rebellion.
- C. De Gaulle willing to meet Abbas only after agreement on a cease-fire.

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D. De Gaulle on 6 July spoke in usual vein of advancing step by step on the road of an Algeria linked to France with its future decided by the Algerians themselves and warned "anything that retards the big decision is not good action."

IV. Among rightist settlers in Algeria, suspension of cease-fire talks has been received without elation.

A. Extremists expect talks to be resumed and still fear a "sellout" to rebels.

B. But Melun negotiations seem to have been conducted in a manner sufficiently tough to allay threat of rightist coup at present time.

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NSC BRIEFING

23 May 1960

WORLD REACTION TO PARIS DEVELOPMENTS

- I. Here is a brief rundown on reaction to Paris developments elsewhere in the world. In Asia, reaction has generally been sophisticated and responsible.
 - A. There is much sympathy for the United States position although there is considerable criticism of its handling of the U-2 incident. It seems to boil down, in many countries, to an attitude of a "plague on both houses."
 - B. Khrushchev's personal behavior, as well as his wrecking tactics, have been widely condemned.
- II. A notable exception has been the Indian press which in recent days has switched from initial criticism of Khrushchev to a theme blaming the "whole trouble" on American "bungling."
 - A. Nehru, so far, has been cautious in his comment. He refuses to fix blame for summit breakdown and has not condemned U-2 incident.
 - B. Deputy Prime Minister Pant turned his speech on summit into censure of Communist China by noting there was "only one country" which does not feel unhappy over outcome.
- III. In Japan, South Korea, and Nationalist China, Khrushchev's action widely criticized, although some Japanese newspapers ascribe a share of the blame to the US because of the U-2 incident.
- IV. No Southeast Asian official, in comment to date, has supported Khrushchev's position.

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A. Indonesia's acting foreign minister Leimena has publicly refused to assign blame and has called for early summit, possibly under UN auspices.

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B. K assailed by press and officials in Australia, New Zealand, and Philippines.

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V. In Pakistan, Ayub has made it clear where his sympathies lie, observing that "today Free World must live under umbrella of American nuclear deterrent."

A. He may be feeling the heat of Soviet threats, however, because the government-monitored press has begun putting more blame for world crisis on US.

VI. Initial/^{West}European disappointment, anger and fear now tempered by conviction crisis not imminent.

A. Some comfort drawn from spontaneous unity in free-world ranks.

VII. Press and politicians agree in blaming Khrushchev for wrecking conference.

A. Even Laborite Daily Herald, caustic critic of U-2 flight, charged Khrushchev with "spitting in the face of peace."

VIII. Still wide tendency to see Khrushchev subject to strong internal Soviet and Bloc pressures.

A. Paris-Jour (mass circulation, sensationalist):

"Twelve days ago, on May 5, addressing the Supreme Soviet, Khrushchev suddenly and without warning stopped talking like Khrushchev. On that day he became the spokesman of Mao Tse-tung...."

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- IX. Increasing inclination, however, to see "an episode and maneuver" to improve Soviet position, without any fundamental reorientation of Moscow's foreign policy.
 - A. U-2 flight considered a convenient way out of conference when Khrushchev saw no breach in Western unity.
- X. Nevertheless, US not exonerated.
 - A. Le Monde said Khrushchev couldn't be blamed for taking advantage of such a "fine opportunity" as the U-2 incident.
 - B. Finnish President Kekkonen told US ambassador he was "horrificed" by overflight admission, which he said left Russians no alternative but to present demands.
- XI. There is widespread conviction that K's performance will tighten Western alliance, but US likely to face new problems with allies.
 - A. Smaller countries will probably be more cautious about future use their territories.
 - B. Some European press comment is beginning to indicate dissatisfaction with American leadership of the Western camp.
 - C. De Gaulle told his cabinet on 20 May that "there must be no dependence on others to assure our own destiny."
 - 1. Couve de Murville assured parliament, however, that De Gaulle did not envisage a separate role for France.
- XII. In Latin America, there has been little official reaction to date.
 - A. The press in Dominican Republic, Panama, Peru and Venezuela highlights Soviet responsibility for wrecking summit.

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- B. Cuba tends to follow Communist line; controlled press and radio using K's diatribes to emphasize Cuban charges that US policies basically "aggressive."
- C. Brazil, Chile, Colombia, Costa Rica, Ecuador and Mexico were critical of US in varying degrees.
 - 1. Brazil, Chile and Ecuador media have suggested smaller nations be given voice in tackling world problems.
 - 2. Brazilian editorials accuse both sides of "imprudence" and "inflexibility," and have expressed fear for the "salvation of mankind."

XIII. Arab reactions vary widely in the proportion of blame attributed to the US or USSR, but all show deep disappointment over the summit breakdown and fear of extreme international tension to come.

- A. Nasir believes that, while the US blundered seriously in its handling of the U-2 incident, Khrushchev badly overplayed his hand in Paris and Eisenhower's restraint has helped change world opinion in America's favor.
- B. Nasir added that Khrushchev's behavior had puzzled most Arabs as much as it had his own young son who asked, "Has Khrushchev gone crazy? Does he want a war?"
- C. Israel, Jordan, and to a lesser extent Lebanon, have supported the Western position.
- D. In Iraq, the pro-Communist press has supported the USSR and put all the blame on the United States. The nationalist press has expressed a cautious view but charges the leftist newspapers with "propagating for the Communist camp."

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XIV. Public and official reaction in Greece, Turkey and Iran is generally favorable to the West and the US.

A. Greek Prime Minister Karamanlis suggests that "now is the time for the Free World to capture the initiative," and that the West needs "to be up and coming with a variety of proposals to capture the imagination of the Free World, and the neutrals."

XV. African press and leaders have stressed the danger to world peace, especially the danger to smaller uncommitted nations, and have shown some irritation that the "big four" should claim to speak for the world. They have generally criticized the US for its intelligence activities; they have rebuked the USSR for its intransigent attitude.

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NSC BRIEFING

23 May 1960

TURKISH INTERNAL SITUATION

- I. Tension and bitterness between Turkish government and opposition continues to rise dangerously.
- A. What started as a personal feud between Premier Menderes and President Bayar on one side and Ismet Inonu on other has become a constitutional struggle with unpredictable consequences.
- B. Demonstrations against government begun by students have increased in size and now contain many non-students.
1. This is how overwhelming pressures grew in South Korea.
- II. Growing participation by military, exemplified by march of military cadets in Ankara on 21 May, is serious blow to Menderes regime.
- A. increasing antagonism between police and military in both Ankara and Istanbul. Police have roughed up several army officers and army has reciprocated.
- B. Senior army officers on active duty are largely indebted to Menderes for appointments and will probably remain loyal to government for present.
- C. Increasing numbers of junior and middle grade officers, previously dissatisfied at economic squeeze, are joining with retired senior officers--loyal to Inonu--in civilian-led demonstrations against government.
- III. Key to future rests with Menderes. Opposition Republican Peoples Party (RPP) has adopted wait-and-see attitude for present.

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- A. Menderes may try conciliation by calling for early elections, removing certain officials of his government, or by abolishing the immediate cause of the disorders--the parliamentary commission investigating opposition.
 - 1. Opposition shows some fear that Premier will call elections while it weakened by government repression. Menderes, however, unlikely to have elections unless sure of winning and his recent loss of support throughout country thus makes honest elections unlikely. Any rigging of election would lead to serious disorders.
 - 2. Menderes could remove Minister of Interior and Director General of National Police--generally blamed by population for severe repressive measures.
 - a. These moves may be forced on Menderes by members of his own party.
 - 3. Opposition probably would not be reconciled by either move but would continue to demand Menderes step down.
- B. There is evidence that Menderes does not realize true extent of popular discontent. Such misjudgment could lead to new moves by Premier which will cause further deterioration of security situation and force army to take over.

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NSC BRIEFING

23 May 1960

KHRUSHCHEV AND THE USSR AFTER PARIS

- I. Khrushchev's activities since leaving Paris suggest he is undecided what course to take from here.
 - A. In his generally moderate speech in Berlin on Friday, he seemed to be reassuring the West that he does not intend to resort to a hard "Stalinist" line toward the non-Communist world.
 - 1. He appeared anxious to demonstrate that his detente policy remains valid and justified, although he contended that the "US treachery" which has embittered his relations with the present US administration will block progress until after the election.
 - 2. He stated status quo in Berlin will be maintained until next summit, which he "assumes" will be in 6-8 months.
 - 3. The speech--which visibly disappointed his audience of high-level East German communists--was delayed for a day, suggesting that cooler second thoughts had prevailed after Khrushchev's intemperate performance in Paris.
 - B. On his return to Moscow the customary major speech to a "welcome-home" rally was omitted for the first time in recent years. We believe, however, that he will feel compelled to make such a speech within the next few days, in order to reassure the Soviet people and set the line for the bloc.

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1. In the meantime, Soviet propaganda has echoed the themes of his Berlin speech. While comment on the President personally, and on other members of his administration is increasingly harsh, it continues to insist that, because the American people are peaceloving, a new summit can be held in 6-8 months in "new and more propitious circumstances."
 2. Massive jamming of VOA, which was resumed on 17 May, was reduced on 22 May.
- C. In the military field, we have seen no indications that the demobilization is to be called off. Pravda says there is to be no increase in military budget.
- II. Our general impression is that Khrushchev is attempting to prevent the situation he created in Paris from getting any worse. His 6-8 months promise on the German peace treaty--which seems to us to be more explicit than was required--may be intended to cover his rear while he deals with problems which have arisen within his own party and within the bloc as a whole.
- III. The collapse of the Summit is bound to have repercussions within the Soviet Union and perhaps on Khrushchev's own position as well.
- A. Much will depend on whether Khrushchev can continue to dominate those elements within the Communist bloc which have feared the results of East-West negotiations.
1. Khrushchev has felt these pressures and has been obliged to make some concessions to them.

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2. He conceded at the four-power meeting on 16 May that his handling of the U-2 incident was influenced by domestic policy considerations. The implication was, however, that he was thinking more in terms of popular reaction than of powerful critics within the hierarchy.
 3. The Soviet people have been led to believe that Khrushchev had discovered a magic formula for reducing international tensions and that their own prosperity was closely tied to his success.
 4. If the rigid, Stalinist elements break through an across-the-board tightening of the dictatorship is likely and many of the economic and social concessions made to the Soviet people in recent years will be withdrawn.
- B. Despite the formidable political position which Khrushchev has built up, he may have his problem within the Kremlin.
1. There is reason to believe that there was heated controversy within the Soviet hierarchy on the handling of the U-2 incident.
 2. There are also good indications that Mikoyan has stubbed his political toe.
 - a. He has not appeared in Moscow since 7 May--he missed both the departure of Khrushchev for Paris and his return
 - b. Khrushchev reportedly called him an opportunist and turn-coat during his visit to France in March-April.

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- d. There is nothing to indicate that Mikoyan has been sacrificed to a "hard-line" faction, but, if he has been cut loose, Khrushchev will have deprived himself of a valuable aide and a moderating influence.
3. Some observers felt that Khrushchev paid unusual deference to Marshal Malinovsky during his stay in Paris and Berlin and concluded that the military are calling some of the shots.
- a. Without a doubt, many of the military have been unhappy about Khrushchev's troop reduction scheme. Conceivably, they reckon that an intensification of the cold war will reverse an unhealthy trend.
- b. In assessing this possibility, however, we cannot help but recall what has traditionally happened when the Soviet military attempted to meddle in political decisions--most recently in the case of Marshal Zhukov.
4. Another possible omen is the increased prominence recently of Mikhail Suslov. Suslov, long considered the leading Kremlin stiff-neck, was in the forefront when Khrushchev returned to Moscow Saturday.
- C. Another meeting of the party central committee is reportedly scheduled for the near future.

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1. The meeting could well tip the balance in domestic policy--toward a continuation of the Khrushchev line or back in the direction of Stalin.
2. The meeting could also produce some political fireworks. At the moment the bulk of the evidence points toward continued Khrushchev rule, even though the events of the last two weeks have made us hedge on bitsa little.

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- IV. Within the bloc, Khrushchev's greatest problem appears to be necessity of demonstrating that he--not Mao--is the leader.
- A. This not made any easier by his performance in Paris, when he in effect said "Mao was right all along" about US intentions.
 - B. Chinese for their part, have welcomed Khrushchev back to the fold. In response to summit breakdown, Peiping whipping up largest and most acrimonious anti-American demonstrations in two years.
 - 1. Thus far over 30 million Chinese have taken part in variety of rallies, meetings, and parades throughout mainland. In language as intemperate as Khrushchev's, Peiping is denouncing US and personally castigating President Eisenhower.
 - C. While publicly demonstrating support for USSR's moves in Paris, Peiping is taking advantage of summit to vindicate its interpretation of American motives.
 - 1. Chinese say they are not at all surprised at summit breakdown because they--unlike some others, e.g., Khrushchev--view international situation correctly and are not misled by "superficial phenomena."
 - D. Peiping fears Khrushchev will not remain firm in attitude toward US.
 - 1. Therefore, Chinese say Paris events "helpful" and call for further exposure of "US imperialism."
 - E. On defensive, Soviet Ambassador in Peiping said Soviets never had illusions about "US imperialism."

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- F. In its present triumphant mood, Peiping likely to be angered by Khrushchev's moderate speech in Berlin, which may in part have been intended to show that he was taking no advice from Mao. Chinese have not reacted yet.
- V. Latest move in this tangled game is article in Soviet party journal Kommunist, violently attacking Yugoslavs in language reminiscent of Chinese Red Flag articles last month, (in which Chinese criticized Khrushchev's policies while ascribing them to Tito.)
 - A. Unlike Berlin speech, this will be welcomed in Peiping.
 - B. Our preliminary thought is that it could represent either:
 - 1. A move by Khrushchev to appease his "hard-line" critics by sacrificing what little remains of his rapprochement with Tito, or--conceivably,
 - 2. A move by Khrushchev's opponents in his own party to embarrass him further.
- VI. In this exceedingly complex situation, long-term direction of Soviet policy virtually incalculable.
 - A. Although Khrushchev clearly does not now intend a fundamental reversal of his detente line, this not entirely under his control.
 - 1. At a minimum, official US-Soviet relations will be strained, and this, perforce, will effect to some degree all Soviet relations with Free World.
 - 2. Further effects of Khrushchev's animus toward President, feeling of injured pride, generally vindictive mood in Paris, difficult to assess. He may wish to "punish" US and seek out opportunities to embarrass its leaders.

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B. Specific Soviet foreign policy behavior in the months ahead may go along the following lines:

1. In relations with US, Moscow may effect an across the board reduction of official contacts. Could withdraw ambassador, reduce embassy staff here in Washington.

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2. Soviets may suspend or sharply curtail exchange of official (though not private) delegations.

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3. In Geneva, Soviet attitude at disarmament talks likely to toughen, delegates will seek to exploit U-2 incident. May stiffen demands at nuclear test talks.
 - a. Khrushchev claimed in Paris USSR ready to sign test ban "at any time."
 - b. But may demand participation in planned US nuclear experimental explosions (with right to inspect US devices) and insist on very small number of explosions.
4. We do not expect cut-back in Khrushchev's travels and personal diplomacy.
 - a. Scheduled for Austria next month, Africa in fall. Said he would go to Latin America if invited.
5. We expect Soviets to seize every opportunity in Latin America to make trouble in US "backyard."

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6. In respect to underdeveloped areas, Soviets not likely to cut down on economic assistance. May even step up aid to some countries (e.g., UAR, Ethiopia, Afghanistan) in order to "show up" US.
- a. At same time, Moscow likely to step up pressures against US bases (in Libya, Turkey, Pakistan, Japan, etc.).
- b. May heighten subversive campaign too, with Greece and Iran likely targets.

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7. Together with Chinese Communists (or using Chinese) could revert to "shooting" campaigns in Far East.

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NSC BRIEFING

18 May 1960

INDONESIA

- I. The Dutch intention to augment military forces in Netherlands New Guinea, claimed by Indonesia, and to send naval units on a flag-showing cruise to that area this summer will have broad repercussions in Indonesian internal politics.
 - A. The Dutch decision appears unnecessary, ill-timed and bound to stimulate nationalist extremism in Indonesia, possibly to the serious detriment of the US position there.
- II. The Dutch have already diverted public attention from the anti-Communist, anti-Sukarno campaign of a new political coalition, the Democratic League, ~~and~~ the Communists are using the West Irian issue to brand the League as pro-Dutch.
 - A. It has also deflected attention from continuing Sino-Indonesian friction which arose from the Overseas Chinese question.
- III. Regardless of efforts by the Indonesian army to prevent exploitation of the Irian issue by the Communist Party, the Communists will profit from it even if they do no more than offer loud support to Sukarno.
- IV. Sukarno, on returning from a global tour in early June will undoubtedly lead a highly emotional mass anti-Dutch propaganda campaign which will submerge all other issues and restore any prestige he may have lost before and during his latest world tour.

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NSC BRIEFING

3 May 1960

BELGIAN CONGO

- I. We foresee a variety of problems arising as the Congo approaches the 30 June independence date amid frantic efforts by Brussels to prepare Congolese for self-government and resolve economic difficulties.
- A. Legislative election campaign has begun despite recurring indications of tribal unrest. Should be some consolidation among 80-odd political parties of Congo before elections begin 16 May.
- B. Elections unlikely lead to domination by any one party or coalition, but two men leading field (Patrice Lumumba, Joseph Kasavubu).
1. Lumumba intelligent and magnetic, but often irresponsible in his actions. Supported by Belgian Communists, the UAR, Ghana, and some Belgian financial interests. Possibly Brussels reconciled to him as first premier.
 2. Kasavubu's support seems limited to Leopoldville area, and some nationalist concern over his reported French ties.
- II. Confusion in Congo may facilitate Communist penetration.
- A. Roundtable conference in Brussels last January was occasion for Congo politicians to seek outside financial aid for elections. Some delegates visited European satellites and several are believed to have been promised Communist support.

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B. Although no known Communists among Congo leaders, bloc help to several persons--including Lumumba--may enable Communists to influence policies of independent Congo.

1. At present, Czech Consulate is only bloc representation in Congo.

C. US Consulate-general believes Communist penetration activities increasing. Growing interest in post-independence bloc aid may push Congo toward bloc-oriented neutralism.

III. Meanwhile, Belgians seeking US aid to meet Congo deficit.

A. Belgian officials have warned that "economic and political turmoil" will result if outside aid of \$120-\$135 million not obtained before independence.

B. Flight of European capital from Congo, accelerated with promise of independence, is a major problem (first half '59 - \$50 million; second half '59 - \$80 million; Jan '60 alone - \$20 million). Recent Belgian controls governing outward flow of capital irritating interests with large holdings unable to repatriate funds.

C. Economic roundtable conference now in progress in Brussels. Results up to now inconclusive, but Congolese critical of shaky economic structure being presented them by Belgians.

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NSC BRIEFING

23 March 1960

FRANCE

- I. De Gaulle's blunt rejection of demands by a majority in the National Assembly for a special parliamentary session to discuss agricultural policy has produced a new high in domestic political criticism of the De Gaulle regime.
 - A. Hostile reaction extends into all parties, even government coalition.
 - B. De Gaulle will probably face no large-scale public displays of hostility until after Khrushchev visit (23 March to 3 April), but will then probably face new farmer demonstrations and efforts to topple Debre government.
 1. Next session of parliament scheduled for 26 April.
- II. Opposition to De Gaulle, long-evident among rightist elements, only recently has become vocal in responsible left and center parties.
 - A. Left and center parties had previously de-emphasized their opposition to some of De Gaulle's policies in order to give him a free hand in Algeria, but now feel they must speak out if they are not to risk further loss of political influence.
 - B. Left and center believe De Gaulle has now moved away from attempts to achieve early solution in Algeria.
 - C. Rightist parties, long convinced De Gaulle is unable to solve Algerian problem, have been steadily moving into overt opposition with an eye to the post-De Gaulle period.
- III. Fundamental deterrent to an all-out campaign against De Gaulle is still the lack of a ready alternative.

- A. Since opposition has no easy mechanism to "get" De Gaulle (constitution does not allow parliament to oust president), the Debre government will bear the brunt of the attack.
 - B. Our embassy in Paris doubts that De Gaulle's opponents can muster an absolute majority to oust Debre at next session.
- IV. Increased parliamentary obstructionism to his policies may well lead De Gaulle--who is already irritated with the "politicians" and the nearly unanimously critical press--even further toward one-man government.
- A. In 1946 when faced with parliamentary frustrations, De Gaulle retired in disgust to Colombey des Deux Eglises, and a repeat performance, while it seems most unlikely, is not impossible.
 - B. A major factor today, however, is that De Gaulle, unlike in 1946, now has a constitution which gives him the power to run France while ignoring parliament.

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NSC BRIEFING

8 March 1960

BACKGROUND

WEST INDIES FEDERATION POLICY PAPER

- I. Struggle between advocates of a centralized federation and states rightists coming to a head this year.
 - A. Premier Williams of Trinidad wants a stronger federation with a federal income tax and a customs union.
 - B. Jamaica, determined to conserve its economic autonomy opposes a strong center.
 1. Premier Manley threatens to secede unless satisfied.
 2. All other islands willing to make broad concessions to keep Jamaica within Federation. Constitutional committee recently satisfied Jamaica's demand for proportional representation by allocating it 48 percent of the seats in proposal for new legislature.
 - C. Constitutional conference adjourned last fall may reconvene this spring.
- II. Once constitutional framework is agreed, and approved by London, independence may come shortly, but probably not before 1961 at earliest.
- III. Preparations now under way for tripartite talks with Federation on revision of 1941 US-UK base agreement.

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- A. Of many sites obtained, US now uses principally 13, mainly missile-tracking and radar stations. Only one over which there is controversy is naval facility and missile tracking station at Chaguaramas Trinidad, which Williams still wants for the federal capital.
 - B. West Indians want to revise agreement only, not abolish bases. Demands center on release of unused areas, compensation, and considerable shortening of 99-year lease.
- IV. Serious snag caused by Williams comment to US consul on 4 March that he is "washing his hands" of conference and refuses to be bound by anything the Federation negotiates.

25X1

- B. Williams--who may later become federal prime minister--prefers to delay negotiations and considers old US-UK agreement won't be binding after independence.

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NSC BRIEFING

3 February 1960

FRANCE-ALGERIA

- I. De Gaulle's firm stand on self-determination may improve long-term prospects for cease-fire talks with FLN.
 - A. But rebels will continue to demand guarantees beyond De Gaulle's personal assurances.
- II. At home, De Gaulle faces some rough going if he presses action against prominent figures involved in long-planned plot against regime.
 - A. "Respectable" civilian leaders implicated apparently include Georges Bidault and Independent leader Duchet.
 - B. Generals apparently implicated include Zeller, former chief of staff; Allard, commander in Germany; and Salan. 25X1
- III. Indications that rightists plan to exploit Khrushchev visit in March on theme De Gaulle selling out completely to Communists.

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